

MD_DA230

Fluid Milk and Cream - Central U.S.

Report 18 - Released on May 04, 2023

Some upper Midwestern contacts have suggested peak flush is upon the region. Milkfat volumes are strong, and overall milk volumes from the upper Midwest down through the southern states in the region are beyond adequate. Bottling sales have ebbed in recent weeks and will continue as more school districts scale down orders. Summer school programs will keep some bottled milk moving into certain areas, but the bulk of school related demand is expected to see a major slowdown. Class III processing has been keeping milk handlers busy, as a number of plant managers in the upper Midwest say there are numerous plants on either scheduled or unscheduled downtime. The spot milk price range into Class III production, below, remained the same as it has been for weeks, but cheesemakers say more offers are coming in from more vendors. Cream has become more stable after a slow uptick in multiples through most of April. Butter churners are busy, but some cream cheese manufacturers have taken a step back from the spot cream market. Therefore, butter plant managers relay similar prices from previous weeks, but say the tightening cream supplies of recent weeks have begun to loosen. Ice cream manufacturing is still a little slower than some cream contacts expected at this point in the year, but seasonal upticks in production are, according to those same contacts, expected to increase later in the month ahead of seasonal demand increases. Lots of areas in the region are getting some rainfall. The Mississippi River, at or nearing its crest in areas of the Midwest, has some areas experiencing floods, while farmers in dryer areas of the same impacted states, specifically Iowa and Illinois, have already begun planting corn. Contacts in Wisconsin and Minnesota say planting preparations are underway, but soil temperatures remain too cold to plant corn there.

The DMN monthly average of the range price series for Upper Midwest Class II cream during April was \$2.9629, compared to \$2.9656 in March.

Price Range - Class III Milk; \$/CWT; Spot Basis: -11.00 - -4.00
Trade Activity: Moderate

Midwestern U.S., F.O.B. Cream

Price Range - All Classes; \$/LB Butterfat: 2.8955 - 3.1109
Multiples Range - All Classes: 1.2100 - 1.3000
Price Range - Class II; \$/LB Butterfat: 2.9913 - 3.1109
Multiples Range - Class II: 1.2500 - 1.3000

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